

Viewpoint

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His wife of 37 years, Mary, doesn't remember it, but Tom Sadvary first met her in an ambulance in Pittsburgh, he a paramedic, she an ICU nurse. "She was so focused on the patient," he recalls. "Fortunately we had another opportunity to meet." Today, Sadvary, 60, is a more visible member of the healthcare team as president and CEO of Scottsdale Lincoln Health Network, a Scottsdale, Ariz.-based five-hospital integrated health system.

He was born in Olean in western New York near the Pennsylvania border where his father taught at St. Bonaventure University but moved to Pittsburgh at an early age. After earning an undergraduate degree in political science and economics at Allegheny College he returned to Pittsburgh where he trained as a paramedic. Initially eyeing law school, Sadvary was inspired to pursue healthcare by his best friend's dad who ran a nearby city hospital. In 1976 he started graduate school at the University of Pittsburgh School of Public Health where he earned a master's in healthcare administration. He did his residency at UPMC and then spent seven years in administrative roles at Barberton Citizens Hospital in Akron, Ohio. After joining Scottsdale Healthcare in 1986 as a hospital administrator, Sadvary moved up and assumed the top job in 2005. He is a member of the board of directors of the Scottsdale Institute. He and Mary have an adult son and daughter.

Scottsdale Health became affiliated with John C. Lincoln Health Network in October 2013. What was driving this move and is there significance to it being defined as an affiliation rather than a merger?

Scottsdale Healthcare was updating our strategic plan two years ago and asked how we could continue to develop our core competencies—manage the health of our population—and still remain stand-alone. We determined we'd be ok, but were asking the wrong question. The right question was: How do we best serve the needs of our community? Rhonda Forsyth, my counterpart at John C. Lincoln Health Network, and I began having a number of discussions and we decided the two organizations would make a very complementary fit.

We decided to create a holding company called Scottsdale Lincoln Health Network which incorporates both organizations. We haven't merged our obligated debt because the market is not right yet for that move. We'll refinance once it is. For all intents and purposes we're a single entity with one board, executive team, scorecard, strategic plan and culture.



**TOM SADVARY,
PRESIDENT & CEO,
SCOTTSDALE LINCOLN
HEALTH NETWORK**

We're in adjoining markets. Scottsdale Healthcare is in the northeast Valley with 800,000 people and Lincoln is in the north central and northeast Valley with another 800,000. That amounts to a population of 1.6 million with five hospitals and \$1.6 billion in assets. We have an employed primary care network of 150 doctors and ambulatory centers. Our goal is to integrate our assets, develop economies of scale and share best practices in quality and patient safety. There are lots of synergies.

Are there unique characteristics about the Scottsdale and north

Phoenix market that drive your growth?

Both Scottsdale Healthcare and John C. Lincoln serve populations in a growth market. The other factor driving our joining together is the ability to develop an integrated plan for urgent care, ambulatory, inpatient and retail medicine. What's going to drive our growth and services is an integrated platform. We're in a very consumer-oriented culture and we need to offer easy access to care for anybody.

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We went from the boom era of the 1990s to 2007/2008 when it crashed. For the past six years we've had flat growth. Our market didn't crash as hard as the rest of the valley and now it's slow and steady.

We've opened a brand-new ER and imaging center off I17 and Carefree Highway in December and the volume is double what we expected. The demand for bricks and mortar is around service lines and ambulatory for easy access and integrated care.

Your recent merger has no doubt raised questions about consolidating major corporate functions.

Regarding IT, how did you go about rationalizing costs, staff and platforms for determining the best path forward?

Scottsdale Lincoln Health Network will have a single IT platform so that a patient anywhere, whether in a hospital or an ambulatory setting, will have access to the same EHR. We have more than 20 integration teams studying how we can translate our objectives into growth, IT and clinical quality. To act as one system we have to be on a common platform. By the end of the year we'll have consolidated our HR, policies and procedures. Then we'll tackle clinical systems, and we're leaning toward a single vendor for that purpose.

So we're finding IT can be an integrator but also a barrier until it's also integrated.

As healthcare moves from a volume-based, fee-for-service model to one based on accountable care and population health, how are you positioning and shaping Scottsdale Lincoln Health to continue to be a leader?

Two years ago we developed a joint venture with 500 physicians to implement standardized clinical protocols

and negotiate arrangements with health plans under risk sharing. Both the joint venture and John C. Lincoln have created Medicare ACOs. We're still in the early phases and are positioning ourselves to manage risk.

Do you anticipate new payer-provider partnerships developing in the near term in your market—and in five years?

Yes. Most of the commercial and Medicare plans are very receptive to piloting narrow networks and risk-based contracting. The biggest challenges are to ensure we have the clinical protocols

and IT to manage the risk and to transform our entire organization to focus on value instead of fee-for-service. That's an abrupt change.

The trigger point for change is not going from zero risk to 100 percent, but reaching a plateau of 25 percent to 30 percent of your total contracting as risk-based. You can't be schizophrenic forever.

Will the patient/consumer finally be the ultimate owner of his or her data? What are the hurdles, both culturally and politically, and can they be overcome?

Yes, if the patient/consumer can own the data our job is to give them the tools so they can be an active partner. If we're able to bring together the services already provided to that person, research on best practices, a genetic profile and their lifestyle, we'll be able to assess upfront what their risk is and have a healthier population as a result.

~ Chuck Appleby
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